

St. Kanzian Wellness & Entertainment Center

DRAFT – MARCH 2020

Project Plan

86,168,750 €

Terms negotiable

Klopeiner See, Austria



Submitted by:

Thermalbad Klopein Entwicklung GmbH

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INTRODUCTION

We plan to take advantage of the aging population of Central Europe, to build a unique WELLNESS AND ENTERTAINMENT CENTER located right at Klopeiner See lake in the municipality of St. Kanzian, Austria.

This lake is a perfect location; water is 33% warmer than other lakes in the region and it's drinking quality. It's surrounded by beautiful mountains with exciting trails with a variety of outdoor activities for families and adults.

The WUND Group www.wund.de was responsible for the execution of the feasibility study. They successfully operate five comparable facilities and they have agreed to be the operator of this unit. The average annual number of visitors for similar size facilities is 733,333 and the average annual EBITDA is 8.96m euro. For the St. Kanzian project the WUND GROUP estimated an average of 525,000 visitors per year and 6.2m euro of EBITDA, for the first ten years of operations.

This facility will include a 300-bed hotel, natural thermal waters, over 400 genuine Caribbean palms, turquoise lagoons with pool bars, unique sauna attractions, soothing mineral and wave pools, high tech slides and a variety of exclusive SPAs. Over 10,000 sqm of premium leasable space will be built for food, beverages, cosmetic, fashion and health-related services.

The PORR GROUP <https://porr.at/en/> is the preferred EPC contractor with extensive experience in this type of project and PICHLER <https://pichler.pro/de/referenzen> will be responsible for the architectural design.

St. Kanzian's municipality is providing the land and is guaranteeing the receipt of all permits, not later than 9 months after detailed engineering work begins.

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THE PROJECT

We seek funding for the construction of a WELLNESS CENTER to be in Klopeiner See in St. Kanzian, Austria. This facility will provide lodging (300-beds), leisure, entertainment and wellness services to families and adults of the Carinthia region, Graz/Salzburg/Vienna and Slovenia markets.

The St. Kanzian Wellness Center will offer:

- Fun activities for children and families
- Cosmetic, health and SPA activities for adults

There are five similar facilities in operation in Germany. The first one was built in 1999 in Munich-Erding. They are all profitable.

These are the existing similar facilities, also operated by the Wund group:

Thermenwelt Erding <https://www.youtube.com/watch?v=wqmo3-OFtsg>



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Therme Bad Wörishofen <https://www.youtube.com/watch?v=3Nvk8x8uhDo>



Badeparadies Schwarzwald <https://www.youtube.com/watch?v=gjac3O1P4r8&t=3s>



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Badewelt Sinsheim <https://www.youtube.com/watch?v=Vg1WzAcfbUE>



Cologne-Euskirchen <https://www.youtube.com/watch?v=B0dIA-Tewjw>



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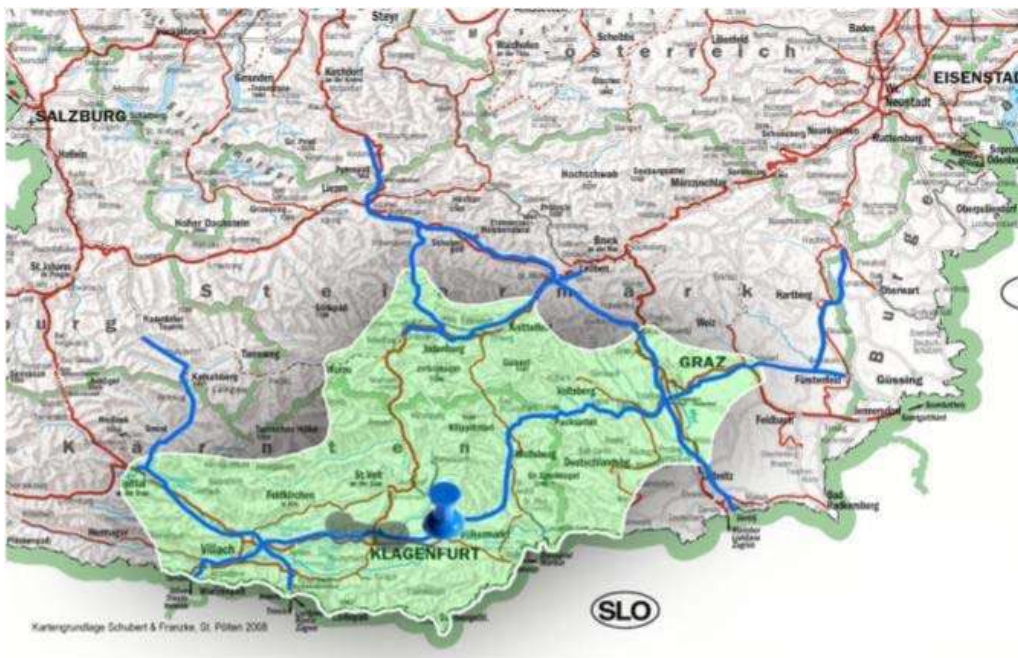
WE SEEK TO RAISE 77.6 MILLION EURO

We seek to raise seventy-seven million five hundred and fifty-two thousand euro for the construction, commissioning and start of operations of this project. We are looking for 60.3m € debt financing for a 30-year term and 17.3m € as equity.

After commissioning is done, the Austrian government will provide a subsidy of 8.6m €.

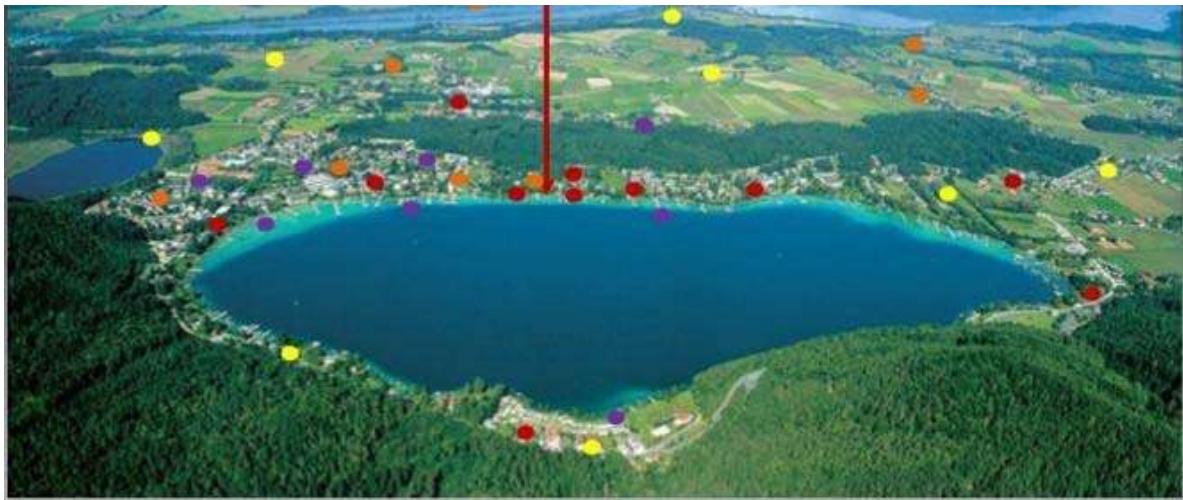
Designation	Amount	% of investment
Equity capital	25,850,625.00	30%
Subsidies	8,616,875.00	10%
Loan	60,318,125.00	70%
Total capital	86,168,750.00	100%

LOCATION: Klopeiner See lake, St. Kanzian, Austria



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This is a superior location. Klopeiner See lake has drinking quality water and it is 33% warmer than others in the region. The Wellness Center will have direct access to the lake, a unique feature compared to other locations. Rights to the underground water are part of the rights the development group already acquired, and drilling has already been done.



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ORGANIZATIONAL RESOURCES

Project Design: PICHLER <https://pichler.pro/de/referenzen>

Engineering, Procurement & Construction: The PORR GROUP <https://porr.at/en/>

SPA Operations: The Wund Group <https://www.wund.de/>

Developer: Thermalbad Klopein Entwicklung GmbH

Executive Team

Jochen Neubert, CEO

CEO of several tax advisory, consulting and real estate companies. Experience in financial planning, accounting and auditing, tax planning and valuation of companies since 1998. Lecturer for real estate management course (University of Klagenfurt).

Jaroslav David and Herbert Reiterer, Operations

Both Jaroslav David and Herbert Reiterer have extensive experience in technical and commercial execution of large-scale projects through training and subsequent activities in the implementation of project business in the construction sector.

Due to thirty years of professional experience in this area, they can anticipate suitable and inappropriate configurations in advance and correct them accordingly. Strong team builders and proven leadership skills for the motivation of employees and generation of results.

F. Rodolfo Jimenez, CMO

Global marketing and fund-raising experience. Strategic management and operation of new and existing brands for the Coca-Cola company in Brazil. Developed and implemented franchise program for largest Latin American chicken restaurant chain (Pollo Campero) and expanded into North America, Asia and Europe. Currently manages an asset management and consulting services company.

Over 5.7m € have been invested so far for the development of this project.

KEY MILESTONES

Detailed engineering and permits ready: April 1st. 2021

Start of construction: September 1st. 2021

Start of operations: May 1st. 2023

WHY SHOULD THIS PROJECT BE BUILT?

Based on the historic performance of five similar projects in Germany, and a feasibility study conducted by the operator of these facilities, we know that THE ST. KANZIAN WELLNESS CENTER can deliver stable revenue and profits throughout the year.

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The St. Kanzian region is already a successful touristic destination with over 1,2 million visitors in 2018. But until now this region touristic activity has been limited to five months per year and with the ST. KANZIAN WELLNESS CENTER the region will have touristic activity throughout the year, as demonstrated in the other five existing locations.

Developer already has received the donation of the land for the project and has options to acquire additional hectares at a competitive price.

We have the full support of the local community, government and businesses.

10-year Financial Summary

	Year 1-5	Year 6-10
Revenue	€ 82,604,512	€ 91,687,937
EBITDA	€ 29,337,293	€ 33,975,598
Net profit	€ 5,657,822	€ 8,556,631
Cash flow	€ 13,517,999	€ 15,744,316
Interest payments*	€ (9,719,681)	€ (7,810,965)

* Year 1-5 includes two years of construction period